

UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA

In re Gregg Appliances, Inc. Case No. 17-01303-11  
Debtors

MONTHLY OPERATING REPORT  
Gregg Appliances, Inc.

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I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor	Date
Signature of Joint Debtor	Date
Signature of Authorized Individual*	Date
Printed Name of Authorized Individual	CEO / CFO
	Title of Authorized Individual

\* Authorized individual must be an officer, director, or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Condensed Consolidated Statement of Income (unaudited)**

	For the Period of January 1, 2020 to January 31, 2020
<i>(In Thousands)</i>	
<b>Net Sales</b>	\$ -
<b>Cost of Goods Sold</b>	-
<b>Gross Profit/(Loss)</b>	-
Operating Expenses:	
Advertising Expense, Net	-
Occupancy Costs	3
Data Communications	0
Repair and Maintenance	-
Company Insurance (Non-Medical)	0
Employee Benefits	2
Wage Expense	20
Employee Services	0
Travel and Entertainment	-
Bank Transaction Fees	2
Professional Fees	117
Stock Compensation Expense (Benefit), Net	-
Gain/Loss on Early Extinguishment of Debt	-
Depreciation and Amortization	-
Administrative and Sales Expense	12
Product Services Expense	-
Bad Debts	-
<b>Total Operating Expenses</b>	<b>157</b>
<b>Operating Income/(Loss)</b>	<b>\$ (157)</b>
Interest Expense, net	-
Other Income/(Expense)	(922)
<b>Income Before Taxes</b>	<b>\$ (1,079)</b>
Income Tax Expense/(Benefit)	-
<b>Net Income/(Loss)</b>	<b>\$ (1,079)</b>

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Condensed Consolidated Balance Sheet (unaudited)**

<i>(In Thousands)</i>	<b>As of 1/31/2020</b>
<b>Assets</b>	
Cash	5,024
Credit Card and Trade Accounts Receivable, Net	5,954
Accounts Receivable - Other	8,456
Merchandise Inventories	-
Prepaid Expenses and Other Assets	1,273
Income Taxes Receivable	-
<b>Total Current Assets</b>	<b>20,707</b>
Property and Equipment, Net	-
Capitalized Financing Fees, Net	-
Goodwill	-
Trademarks, Net	-
Other Assets, Net	-
<b>Total Assets</b>	<b>\$ 20,707</b>
<b>Liabilities and Stockholders' Deficit</b>	
Accounts Payable	8,157
Outstanding Customer Deposits, Credits, Refunds	1,560
Unredeemed Gift Card Liability	15
Other Accrued Expenses	5,462
Deferred Tax Liability	-
DIP Loans	-
<b>Total Current Liabilities</b>	<b>\$ 15,194</b>
Deferred Rent	-
LT Deferred Compensation	234
Other Long-term Liabilities	107
Liabilities Subject to Compromise	196,192
<b>Total Liabilities</b>	<b>\$ 211,727</b>
Preferred Stock	-
Common Stock	4
Accumulated Deficit	(345,571)
Treasury Stock	(150,228)
Additional Paid-in Capital	304,775
<b>Total Stockholders' Deficit</b>	<b>\$ (191,020)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$ 20,707</b>

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Condensed Consolidated Statement of Cash Flows (unaudited)**

<i>(In Thousands)</i>	<b>For the Period of January 1, 2020 to January 31, 2020</b>
<b>Cash flows from operating activities:</b>	
Net cash provided by (used in) operating activities	<u>\$ 235</u>
<b>Cash flows from investing activities:</b>	
Purchases of property and equipment	-
Proceeds from sale of property and equipment	-
Other	-
Net cash used in investing activities	<u>-</u>
<b>Cash flows from financing activities:</b>	
Net Borrowings (Repayments) on Debt Facility	-
	<u>-</u>
Increase/(decrease) in cash and cash equivalents	235
Cash and cash equivalents at beginning of period	4,789
Cash and cash equivalents at end of period	<u><u>\$ 5,024</u></u>

Gregg Appliances, Inc.

DEBTORS AND DEBTORS IN POSSESSION

Total Disbursements by Filed Legal Entity (unaudited)

*(In Thousands)*

**For the Period of January 1, 2020 to January 31, 2020**

<b>Legal Entity</b>	<b>Case Number</b>	<b>Disbursements</b>
Gregg Appliances, Inc.	17-01303-11	\$ 1,479

Gregg Appliances, Inc.  
DEBTORS AND DEBTORS IN POSSESSION  
Bank Reconciliations (unaudited)

(In Thousands)

G/L Acct	Account Name	Bank Acct #	Debtor	Description	Bank Balance	Ledger Balance	As of Date	Reconciled
1000	Master Operating Account	9174	Gregg Appliances, Inc.	Operating Account	\$ 0	\$ 1	1/31/2020	No
				Corporate AR deposit account, All retail locations				
1001	Corporate Account	9505	Gregg Appliances, Inc.	depository account	\$ -	\$ -	1/31/2020	No
1016	Cash Concentration	9455	Gregg Appliances, Inc.	Cash Dominion	\$ 0	\$ -	1/31/2020	No
1017	Gregg AR DIP REVOLVER	2T08	Gregg Appliances, Inc.	Excess cash on Wells Fargo AR DIP Revolver	\$ 593	\$ 593	1/31/2020	Yes
1051	Disbursements	9729	Gregg Appliances, Inc.	Checking	\$ -	\$ -	1/31/2020	No
				Legal Reserve and Escrow for Whirlpool,				
1011	Restricted - Wells Fargo Escrow	Internal Wells Fargo Account	Gregg Appliances, Inc.	Electrolux, GACP, and WGT V Matters	\$ 4,430	\$ 4,430	1/31/2020	No

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Total Disbursements to Retained Professionals (unaudited)**

(In Thousands)

		<b>For the Period of January 1, 2020 to January 31, 2020</b>	
<b>Retained Professionals</b>		<b>Approved Amounts (1)</b>	<b>Disbursements</b>
MORGAN, LEWIS & BOCKIUS LLP	Legal Services	\$ 1,878	\$ -
STIFEL, NICOLAUS & COMPANY INC	Bankruptcy Services	\$ -	\$ -
BERKELEY RESEARCH GROUP LLC	Bankruptcy Services	\$ 2,423	\$ -
DONLIN, RECANO & COMPANY INC	Bankruptcy Services	\$ -	\$ -
ICE MILLER LLP	Legal Services	\$ 1,938	\$ -
BINGHAM GREENBAUM DOLL LLP	Bankruptcy Services	\$ 203	\$ -
MALFITANO PARTNERS	Bankruptcy Services	\$ 66	\$ -
COOLEY LLP	Bankruptcy Services	\$ 2,276	\$ -
PROVINCE, INC.	Bankruptcy Services	\$ 556	\$ -
DLA PIPER LLP US	Bankruptcy Services	\$ -	\$ 89
FAEGRE BAKER DANIELS LLP	Bankruptcy Services	\$ -	\$ 20
CHOATE HALL & STEWART LLP	Bankruptcy Services	\$ -	\$ -
ASK LLP	Bankruptcy Services	\$ -	\$ -
GREAT AMERICAN GROUP	Bankruptcy Services	\$ -	\$ -
GAVIN SOLMENESE LLC	Bankruptcy Services	\$ 136	\$ -
CHIPMAN BROWN CICERO & COLE, LLP	Legal Services	\$ 60	\$ -
Total		<u>\$ 9,538</u>	<u>\$ 109</u>

(1) Approved amounts represent the amount of fees and expenses that were approved by court order for payment by the Debtors to each professional from commencement of the case through January 2020.

Gregg Appliances, Inc.  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Summary of Unpaid Post-Petition Debts (unaudited)**  
**As of 1/31/2020**

(In Thousands)

Gregg Appliances, Inc. (17-01303-11)

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	\$ 21	\$ 40	\$ -	\$ -	\$ 1,065	\$ 1,126
Wages Payable	\$ 6	-	\$ -	\$ -	\$ -	6
Taxes Payable (1)	\$ 3	-	\$ -	\$ -	\$ 939	942
Rent/Leases-Building	\$ -	-	\$ -	\$ -	\$ 3,759	3,759
Utilities Payable (2)	\$ -	-	\$ -	\$ -	\$ 428	428
Insurance Reserves	\$ -	-	\$ -	\$ -	\$ -	-
Secured Debt/Adequate Protection Payments	\$ -	-	\$ -	\$ -	\$ -	-
Professional Fees	\$ 21	48	\$ 12	\$ 97	\$ 2,082	2,259
Amounts Due to Insiders	\$ -	-	\$ -	\$ -	\$ -	-
Outstanding Customer Deposits, Credits, Refunds (2)	\$ -	-	\$ -	\$ -	\$ 1,560	1,560
Unredeemed Gift Card Liability (2)	\$ -	-	\$ -	\$ -	\$ 15	15
Deferred Rent	\$ -	-	\$ -	\$ -	\$ -	-
LT Deferred Compensation	\$ -	-	\$ -	\$ -	\$ 234	234
Other (2)	\$ -	-	\$ -	\$ -	\$ 5,206	5,206
<b>Total Post-Petition Debts</b>	<b>\$ 51</b>	<b>\$ 88</b>	<b>\$ 12</b>	<b>\$ 97</b>	<b>\$ 15,288</b>	<b>\$ 15,535</b>

(1) Any past due taxes payable relate to unpaid business license fees for 2017, as well as unpaid gross receipts taxes payable and any penalties charged for late payments beginning in July 2017.



**Gregg Appliances, Inc.****DEBTORS AND DEBTORS IN POSSESSION****Schedule of Federal, State, & Local Taxes Collected, Received, Due or Withheld (unaudited)***(In Thousands)***For the Period of January 1, 2020 to January 31, 2020**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding	\$ 1	\$ 3	\$ (2)	1/8; 1/22	WIRE	\$ 1
FICA - Employee	\$ 0	\$ 2	\$ (1)	1/8; 1/22	WIRE	\$ 1
FICA - Employer	\$ 0	\$ 2	\$ (1)	1/8; 1/22	WIRE	\$ 1
Unemployment	\$ 0	\$ 0	\$ (0)	1/8; 1/22	WIRE	\$ 0
Income	\$ -					\$ -
Total Federal Taxes	\$ -	\$ 6	\$ (5)			\$ 1
<b>State and Local</b>						
Withholding	\$ 0	\$ 1	\$ (1)	1/8; 1/22	WIRE	\$ 0
Sales and Use	\$ (0)	\$ -	\$ -			\$ (0)
Excise	\$ -	\$ -	\$ -			\$ -
Unemployment	\$ 0	\$ 0	\$ (0)	1/8; 1/22		\$ 0
Real Property	\$ 3,474	\$ -	\$ -			\$ 3,474
Personal Property	\$ 1,582	\$ -	\$ -			\$ 1,582
Other	\$ 99	\$ -	\$ -			\$ 99
Total State and Local	\$ 5,156	\$ 1	\$ (1)			\$ 5,156

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Accounts Receivable Aging (unaudited)**

(In Thousands)

**As of January 31, 2020**

**Accounts Receivable Reconciliation**

	<b>Credit Card Receivables</b>	<b>Trade Accounts Receivable</b>	<b>Total Credit Card and Trade Accounts Receivable</b>
Total Accounts Receivable at the beginning of the reporting period	\$ 900	5,054	\$ 5,954
+ Amounts billed during the period	-	-	-
- Amounts collected during the period	-	-	-
- Other Adjustments (Writeoffs/Credit Memos/Adjustments/Chargebacks/Signifyd Funding)	-	-	-
Total Accounts Receivable at the end of the reporting period	<u>\$ 900</u>	<u>\$ 5,054</u>	<u>\$ 5,954</u>

**As of January 31, 2020**

<b>Accounts Receivable Aging</b>	<b>13.92</b>	<b>Amount</b>			
< 90		\$ -	\$ -	\$ -	
91+	2.8	900	5,054	5,954	
Total Accounts Receivable	2.8	900	5,054	5,954	
Amount Considered Uncollectible	-	-	-	-	
Accounts Receivable, Net	<u>\$ 2.8</u>	<u>\$ 900</u>	<u>\$ 5,054</u>	<u>\$ 5,954</u>	

(1) / (2)

**NOTES**

(1) In July 2018, all Credit Card Receivables were written off with the exception of Pre-Petition funds withheld by Vantiv (Visa/Mastercard) in the amount of \$900,000. Debtors understand some or all of that amount was applied against chargebacks by the Credit Card companies; however, will continue to carry balance until fully resolved.

(2) No reserves have been recorded against credit card receivables.

(3) \$8.5M of Accounts Receivable - Other exists at 01/31/2020, all of which is aged > 90 days past due.

**Gregg Appliances, Inc.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**Questionnaire**

				Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.					X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.					X
3. Have all post-petition tax returns been filed timely? If no, provide an explanation below.				X	
4. Are workers compensation, general liability, and other necessary insurance coverages in effect? If no, provide an explanation below.				X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.					X
Account Name	Purpose	Business	Acct Number	Bank Name	Date